

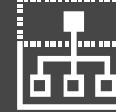


Transparency Report

PricewaterhouseCoopers Channel Islands

Year end 30 June 2022

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Message from leadership



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Message from leadership



Nick Vermeulen

Welcome to our 2022 Transparency Report

I'm delighted to introduce our 2022 Transparency Report. The annual publication is designed to help our key stakeholders and wider society within the Channel Islands understand our objectives, what we expect from our people and how we're governed. While PwC is a multidisciplinary firm, this report is primarily focused on our audit practice and related services.

It's a special honour to be introducing this report, as this is my first since becoming Territory Senior Partner in January 2022. I would like to pay tribute to my friend and predecessor Simon Perry for laying so many of the foundations for our success as a business and for contributing so much to the communities, businesses and the economies of our islands.

Network context

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152* countries with more than 327,000* people who are committed to delivering quality in assurance, advisory and tax services. We're committed to driving a strong culture of quality and excellence that is core to our purpose.

In June 2021, we unveiled The New Equation, PwC's landmark global strategy which responds to fundamental changes in the world, including technological disruption, climate change, fractured geopolitics, and the effects of the COVID-19 pandemic. The New Equation is based on analysis of global trends and thousands of conversations with clients and stakeholders. It builds on more than a decade of sustained revenue growth and continued investment. The New Equation focuses on two interconnected needs that clients face in the coming years. The first is to build trust, which has never been more important, nor more difficult. The second is to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater. For more information on The New Equation, please see <https://www.pwc.com/gx/en/>

In this introduction, I'll be focusing on what drives our audit team, the thinking behind this and how we're delivering in practice. If the uncertainty of the past year has taught us anything from an audit perspective, it's that audit matters. To deliver for the clients and communities we serve, we need to keep listening, evolving and challenging ourselves to do better.

Steering through uncertainty and change

Just as the world had begun to edge its way out of the COVID-19 pandemic, 2021-22 saw a renewed disruption. The continuing upheaval stretches from the impacts of geopolitical instability and climate change to the surge in fossil fuel prices and resulting spikes in inflation and living costs.

While the Channel Islands have clearly been affected by these challenges, we can benefit from some important advantages as we look to put our economies on a stable and sustainable footing. In particular, our islands have many investment management clients who have been early pioneers in the financing and development of wind, solar and other forms of renewable energy. These include some of the foremost companies listed on the London Stock Exchange.

While peers in other parts of the world may still be figuring out how to move forward on sustainable finance, emissions measurement and other environmental, social and governance (ESG) priorities, our private markets' managers have the track record to attract capital and drive job creation and further growth in sustainable finance within our economy.

A community of problem-solvers

Here at PwC, we recognise our role in helping our islands and the wider world to steer through uncertainty and change. When we describe our purpose as building trust in society and solving important problems, our work with renewable energy suppliers and private markets' businesses exemplifies this. Clear and accurate, evidence-based audit is critical in building investor trust and sustaining the resulting flows of capital needed to finance green innovation and growth.

Working alongside our financial auditors, our dedicated Net Zero and ESG team is helping governments and businesses across the Channel Islands to develop their sustainability strategies, address net zero audit risks and gain assurance over metrics and reporting.

But at a time when complexity is increasing, societal expectations are rising and trust is more fragile and difficult to earn than ever, we know that we need to keep improving the quality and credibility of our audit capabilities and output.

This Transparency Report is published in accordance with the requirements for third country auditors in Article 45 (5)(e) of the European Communities (Statutory Audits) Directive 2006/43/EC for our financial year ended 30 June 2022.

Strengthening audit quality and credibility

So what are we doing to strengthen audit quality and credibility in practice?

If we begin with direction, oversight and challenge, we've made a number of important changes in recent years. This includes splitting the role of External Audit Leader and Territory Senior Partner. This separation enables our audit lead, Karl Hairon, to dedicate all of his time and expertise to developing our audit service line and driving audit quality.

We also have split roles between Quality Leader and that of the Risk Management Partner, with the more targeted focus of each role, designed to improve the quality of our audit work. Under the direction of Evelyn Brady, risk focuses on setting the right approach and ensuring the appropriate people are assigned to particular roles and engagements. Under the direction of John Luff, quality focuses on day-to-day management and compliance with regulations and internal procedures.

Hani Salem, a Director responsible for audit methodology, leads the recently established Channel Islands Chief Auditor Network across each key industry, advising on the most complex and judgemental aspects of audit methodology.

These developments have helped us maintain an enviable record in recent years on the annual audit file reviews performed by experienced Partners, Directors and Managers from other member firms within the PwC Network.

But this does not mean that we can be complacent. We can't let up in our focus on quality and innovation. This year, the PwC network has announced a \$1 billion global investment to design and implement PwC's Next Generation Audit, an ambitious refresh of the tools and approaches that we use to deliver high quality audits.

Sustaining personal independence

Clear lines between the auditor and the business being audited are equally critical in sustaining credible and effective audit. Steps to sustain personal independence include rigorous testing and record-keeping of the investments and other financial interests of Partners, Directors and their families and close associates. This is built into our Responsibility and Accountability Framework. In keeping with changes in how people live, work and engage, the scope of who is covered has been widened to incorporate a broader range of relationships.

To support these vital safeguards, we're making available a new personal independence tool to assist Partners and employees in ensuring personal investment portfolios reconcile to the records lodged on PwC's independence systems. During 2021-2022, where personal independence exceptions have arisen, the financial sanctions detailed in our Responsibility and Accountability Framework have been invoked.

Percentage of our external audit professionals surveyed who report

I am proud to work at PwC

95%
FY22

87%
FY21

The people I work for trust me to use flexibility options without compromising the quality of my work

89%
FY22

87%
FY21

Strength in diversity and depth

The other key foundation for quality and credibility is people. The audit and support teams in our offices in Alderney, Guernsey and Jersey bring together a rich array of experience, expertise and life journeys. Some like me have been born and bred on the islands, then worked abroad, before returning to continue their careers here. Others have made their homes and careers here. In all, our workforce brings together people from 37 nationalities. I believe that this diversity gives us fresh perspectives and helps foster innovative ideas, while guarding against the dangers of groupthink.

Looking beyond the immediate audit team, our multidisciplinary model ensures that our audit teams are able to access independent experts and specialists from across the Channel Islands firm and wider PwC network, enhancing audit quality and bringing insight to the organisations we audit. Like me, many auditors switch to advisory roles during their careers, with their advisory work benefitting from the industry experience they gained as auditors. Our support for the development of a market structure for the electricity market that will assist Guernsey to meet its Net Zero commitment attests to the value of knowledge sharing and multi disciplinary firms. We fully support that in order to support auditor independence, there are restrictions on the kind of advisory work we can carry out for audit clients. We regularly review independence policies and perform stringent checks prior to the commencement of any non-audit services to ensure we maintain auditor independence.

Enriching our pool of talent

Qualified auditors are in short supply worldwide, and especially here in the Channel Islands. That's why we continue to expand our professional training programmes in all lines of service, both for graduates and school leavers. During the year ended 30 June 2022, we recruited 22 school-leavers and graduates in Guernsey and 24 in Jersey, along with 93 permanent experienced hires, and 7 fixed-term contractors during this period across the Channel Islands.

This ability to attract so much local talent is great for us. In turn, we're delighted to be able to offer young people coming out of education in Alderney, Guernsey and Jersey the chance to qualify as an accountant and open the way to a rewarding career, without having to leave the islands they love. Recruits coming straight from school have the further benefit of working towards a world-recognised qualification without being burdened with student debt.

Once qualified, some of our people will of course seek out opportunities in the UK and abroad. Others may want to move on to other businesses on the islands once they've gained experience with us. The loss of people once they qualify is one of the reasons why we've a relatively high turnover of staff. But we believe this is part and parcel of being a training ground for people across our islands. We're sorry to see them go, but we know we'll see them again. Many come back to us after enriching their skills and experience in other parts of the world. Others form part of our alumni network, work with us as clients and help strengthen the capabilities and talent pool for our business community.

With audit staff in short supply, we also recognise the need to augment the resources available to us as far as possible. A key part of this is an arrangement we've established in South Africa in partnership with the local PwC firm, providing us with access to skilled members of their Audit practice which increases our capacity to serve our local clients. Overall, over a quarter of our total audit hours are now delivered through a combination of remote secondees, delivery centres and the arrangement described above with PwC South Africa, compared to 16.1% in 2020-2021.

Just as important is how we support and deploy people within our teams internally – what we call 'smart working'. Key developments include running a pilot for a flexible four-day week during the summer. Drawing on tech support and improved use of time, the pilot offers 100% pay, for 80% of the hours, but with the aim of increasing daily productivity. Through such initiatives, we want to create a team of people who are healthier both mentally and physically, who are focused, engaged and determined to get the job done in a way that suits their diverse needs. We chose the summer for the trial as this is outside our busiest audit 'season'.

Alongside developments such as sabbaticals, time-off for travel and the flexibility to work from home as and when people want, exploring options such as a four-day week for part of the year can help to strengthen welfare, ease stress and guard against anxiety and burn-out. On top of being the right thing to do, we benefit from a more motivated team and the ability to attract and retain a broader mix of talent.

Flexibility only works when there is full buy-in and participation from the leadership. If people don't see senior teams working flexibly or believe it could undermine their chances of promotion if they do, they won't take up the option. I took part in the four-day trial and I regularly work from home. On Tuesday and Thursday evenings I go sailing and can't be reached. That's my time and my colleagues respect that.

At the same time, we know that we still need to explore fresh options and hone our approaches as we seek to keep pace with the revolution in how people work and engage. As the 'Great Resignation' has highlighted, many professional people have also become disillusioned with their work and are rethinking the direction of their careers in the wake of COVID-19. While some attrition is inevitable in a business like ours, I'm conscious of the fall in retention rates among associates and senior associates and the need to identify and address the causes. Given our attrition rate overall, we're in a permanent recruitment drive. Further areas in need of attention include international secondments. As I found in my career, these exchanges can play an important role in developing experience and sharing new ideas. But openings have declined and we will be looking at how to build them up again.

Harnessing the power of technology

For people to work at their best, they need the right technology. We use technology throughout our audits, from risk assessment analytics in planning to the use of artificial intelligence, data auditing and visualisation techniques in our testing. Cutting edge innovations developed and trialled by PwC over the past year include an artificial intelligence prototype for the General Ledger, which can pick up behavioural characteristics of journals and apply these to existing data, thus exposing anomalies.

Technology helps us to connect and collaborate, work more efficiently and enhance quality for clients, while eliminating needless costs – more for less. In turn, it provides valuable insights to enhance decision making, while enabling our audit teams to focus more of their time on genuinely value-adding activities.

Here in the Channel Islands, the finite availability of talent and the need to make the most productive use of time has encouraged us to be tech pioneers. We also operate in one of the most regulated markets in the world as the islands seek to sustain their hard-won 'whitelisting' on tax, transparency and oversight. These twin drivers for innovation have come together in our development and adoption of a new anti-money laundering (AML)/Know Your Client (KYC) system. This is now being rolled out across the PwC network worldwide.

Making a success of such innovations requires extensive upskilling, not just in mastering the technicalities of the tools, but how to deploy them within the audit process in the most productive way. Success also requires a good deal of trial, error and pain. This is especially so for the systems we've helped develop here in the Channel Islands, as we act as the guinea pigs before they're rolled out across the PwC Network. But it's worth it. A clear case in point is the speed with which our new AML/KYC system is able to pick up potential sanctions risks, not just for the person being screened, but their multiple connections worldwide. Detection as thorough and quick as this has never been possible before.

Feel free to get in touch

So, if I opened my introduction by stressing both the importance of audit in an uncertain world and the need to evolve to keep pace, then I hope this report helps highlight how we're seeking to live up to this commitment. But we know that we can never stand still, as professionals, as a business and as members of communities facing so much upheaval and change.

I hope you find this report useful. If there are any issues that you would like to discuss, please feel free to get in touch.

Nick Vermeulen
Territory Senior Partner
PwC Channel Islands



A message from our Territory External Audit Leader

Trust lies at the heart of everything we do at PwC. It's fundamental to fulfilling our firm's purpose. One of the ways we build trust is by being transparent.

As auditors, we are also acutely aware of another trust driver: the quality of our external audits. That's why we are pleased to present our Transparency Report for 2022, which shows how we maintain quality in our audit work. The report describes our policies, systems and processes for ensuring quality and the way we foster a culture of quality at every level of the firm. It details the companies we performed audits for and the total revenue from our audit and non-audit work.

Broadening the definition of audit quality

We welcome the public conversations that arise as a result of transparency about audit quality. We believe there are many factors that contribute to a quality audit and to get a balanced picture of audit quality in PwC Channel Islands, stakeholders need to see a range of measures.

We've invested significantly in our audit practice over the last few years in order to strengthen audit quality and credibility in practice. Splitting the role of External Audit Leader and Territory Senior Partner allows me to continue to dedicate all of my time and expertise to developing our audit service line and driving audit quality. Also, as Nick mentions in his introduction, having split roles between Quality Leader and that of the Risk Management Partner, with the more targeted focus of each role, is designed to improve the quality of our audit work.

Likewise our director with responsibility for Audit Methodology, who has built a team of audit specialists to support the wider engagement leader team within the more complex, judgemental aspects of auditing and accounting matters we come across, continues to strengthen our focus on audit quality and credibility.

More recently, the following are the key developments in the year under review:

- Across the Audit practice, we have invested significant time and resources in training. The average hours of training our qualified staff participated in amounted to 130 hours in this financial year. This training is not only in the core skills of audit methodology, accounting and regulation, but also in personal development skills including scepticism and of course, crucially, in technology - we see this level of investment continuing for the foreseeable future.
- To address the profession's continued resourcing challenges and to give our teams capacity to embrace our focus on quality, we have increased the use of team members based outside the Channel Islands. Some 25% of our total audit hours are now delivered through a combination of remote secondees, delivery centres and PwC South Africa staff augmentation.

These investments have helped us maintain our measured quality in audit as assessed by our latest inspection rounds from the ICAEW and our own PwC internal inspection programmes. We have successfully closed out all our audit file reviews with no files deemed Non-Compliant. Against the backdrop of a business environment which at times during the period under review was heavily impacted by COVID-19, these are results of which we can be proud, but certainly not complacent, as we see the definition of Audit Quality constantly evolving.

We are aware that by committing to this additional level of transparency, there may be times in the future when the results we publish don't meet our high expectations, let alone the public's. Our ultimate goal is that our regulators consider that we have obtained reasonable assurance in all audit areas. We are driving a quality improvement plan aimed at achieving this goal.

Continuing the discussion on audit quality

Given the changing nature of audit, we are looking carefully at our audit strategy as our audit business is fundamental to our overall strategy and brand. We continue to invest in continuous improvement in audit quality through new systems and technology, risk processes and learning and development for our people. I'm proud of the role we're playing in opening up discussion about audit quality in the markets in which we operate. The importance of transparent reporting and the purpose of audit has never been more relevant and I hope you find our Transparency Report informative and engaging. I welcome the opportunity to keep the conversation going through this report and other transparency initiatives.

Karl Hairon

Territory External Audit Leader
PwC Channel Islands



Karl Hairon

Year in review

Financial statement restatements



FY22: 1
FY21: 0

Number of financial statement restatements involving Market Traded Companies due to material errors

Mandatory training attendance

100%

of partners and staff have completed all mandatory training attendance for the PwC training year, running from 1 Jan to 31 Dec

Partner and staff survey

74% **97%**

of our staff and partners participated in our Global Pulse Survey

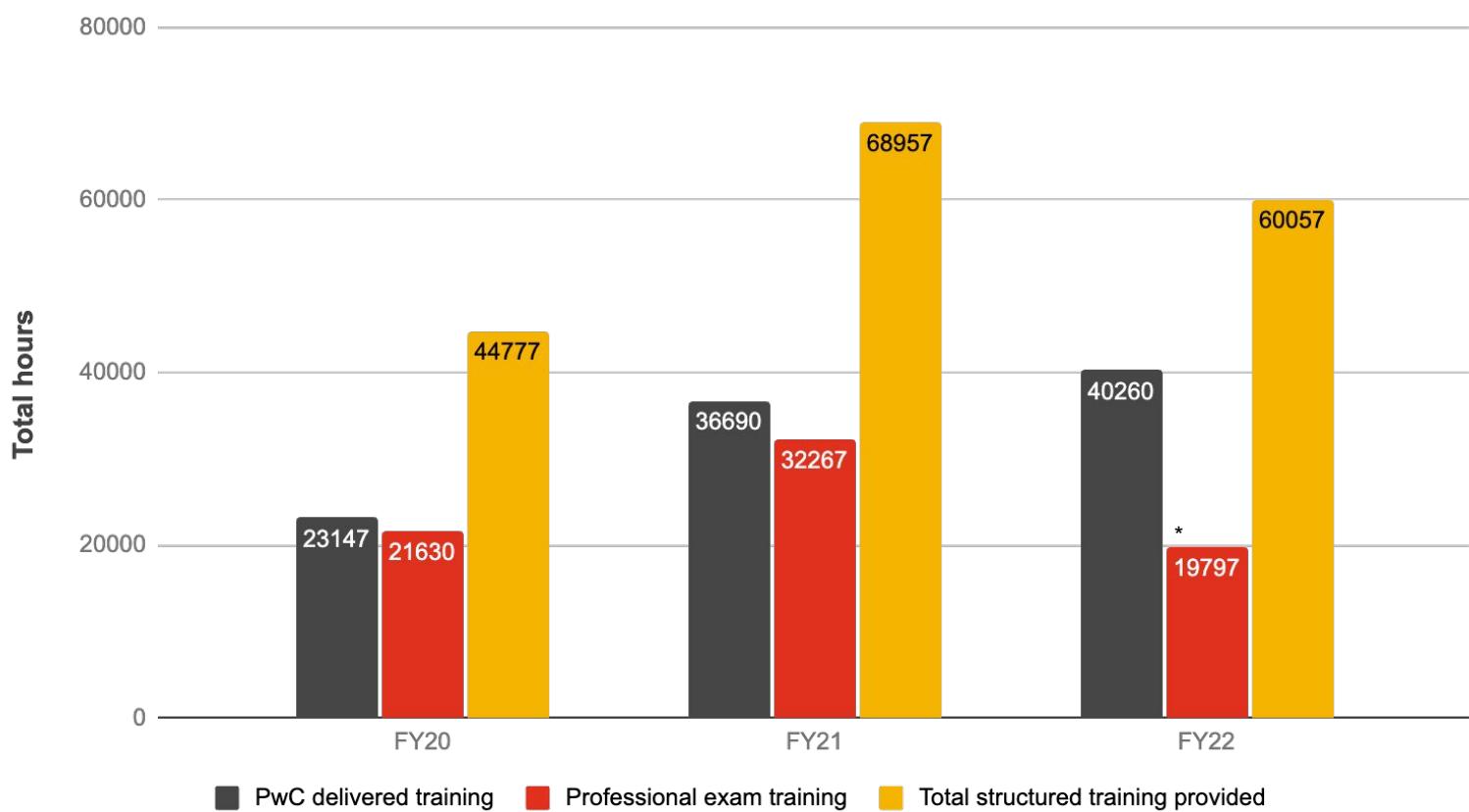
of the respondents believe they are encouraged to deliver high quality services

Technical support

1 to 3.3

Ratio of partners serving in technical support roles to the total number of audit partners

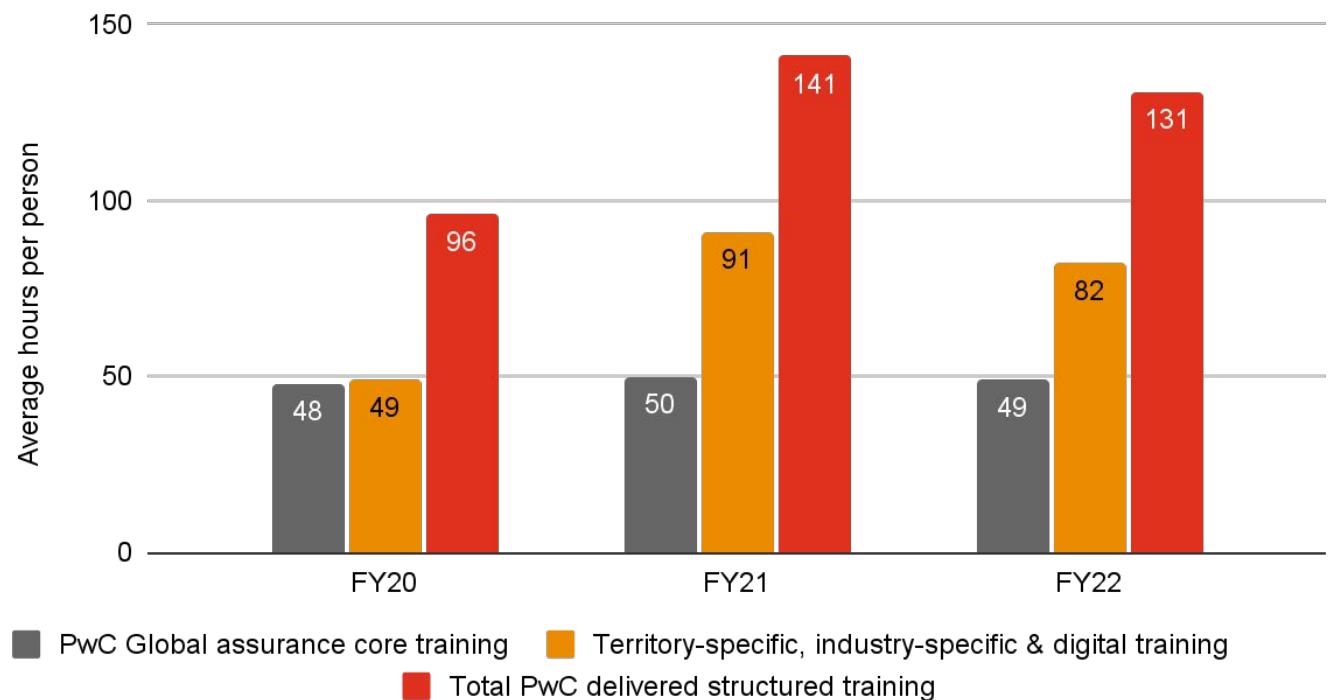
Assurance and Professional exam training (hours)



* Professional exam training hours were higher in FY21 due to training being rescheduled from FY20 into FY21 as a result of covid restrictions. Additionally, there was a reduction in the average number of associates under training contracts during FY22.

Year in review (continued)

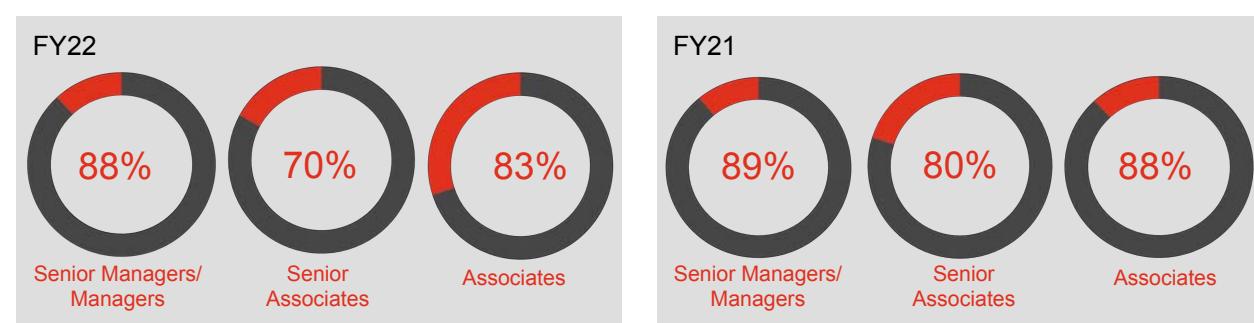
Assurance training (hours)



Ratio of audit-related hours for audit team members including data specialists and out of territory team members

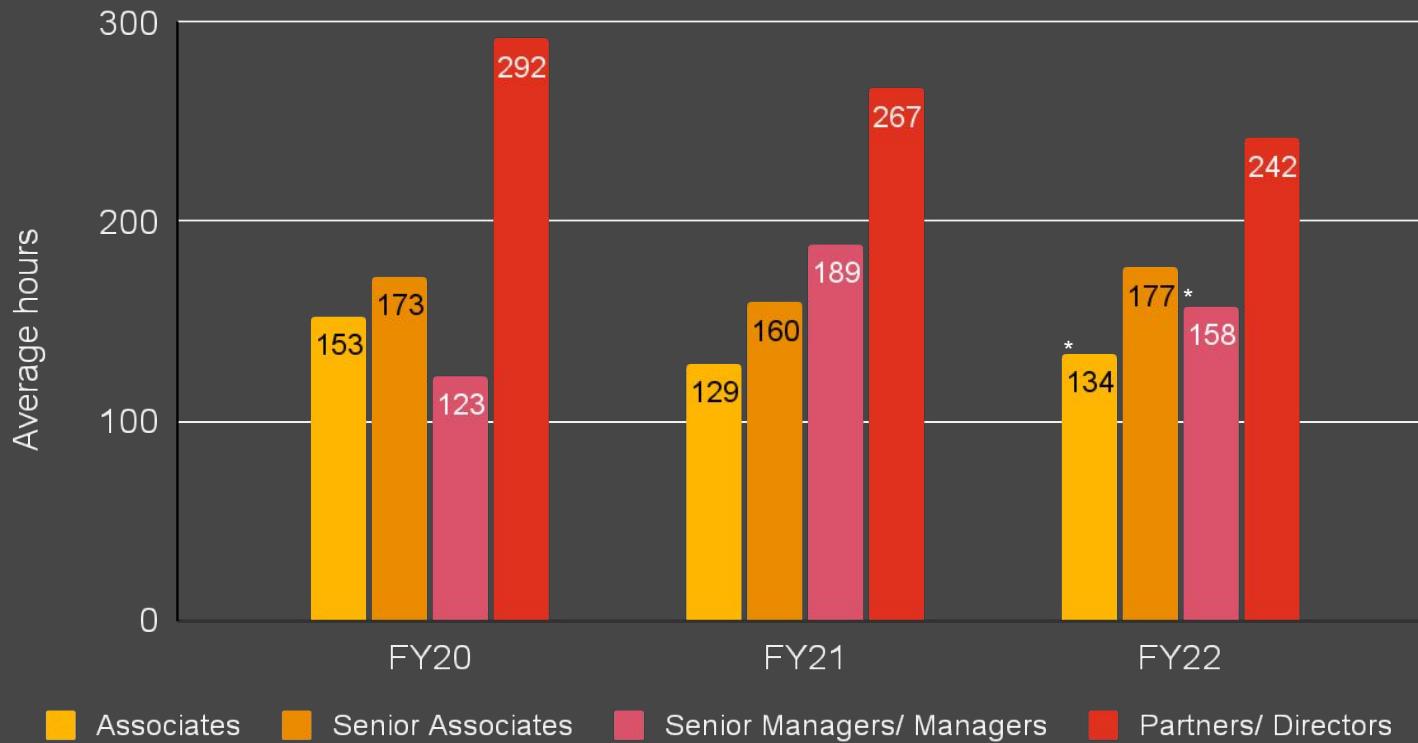
			FY22			FY21		
Partners/ Directors	to	Senior Manager/ Manager	1	to	3.5	1	to	3.6
Senior Manager/ Manager	to	Staff below Senior Manager/ Manager grade	1	to	4.7	1	to	4.3
Partners/ Directors	to	Staff below Senior Manager/ Manager grade	1	to	16.6	1	to	15.5

Average retention rate by staff level



Year in review (continued)

FY22 Assurance overtime hours by level for Channel Islands based staff



* The Associate and Senior Managers/Managers average overtime hours for the prior year have been switched as they were presented against the wrong label in last year's report.

Our system of quality management

Hours spent on internal and external PwC network-driven reviews of the firm's internal system of quality management

2,451 hours



5

Quality management deficiencies self-identified or from PwC network-driven reviews

Real time reviews

Number of FY22 year end audit engagements included in the real time review program

27 audit engagements

With over **704** hours spent by reviewers on real time reviews during FY22

Percentage of non-specialist audit hours performed out of territory

FY22: 25.4%

FY21: 16.1%*

* revised to reflect only those hours spent directly on client delivery

Average experience of our audit partners



21 years at PwC

7 years as partner

Average experience of our audit directors



10 years at PwC

4 years as director*

*Directors are engagement leaders with audit signing rights, who are not partners

PwC network



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PwC network

Global network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC network is not a global partnership, a single firm, or a multinational corporation. The PwC network consists of firms which are separate legal entities.

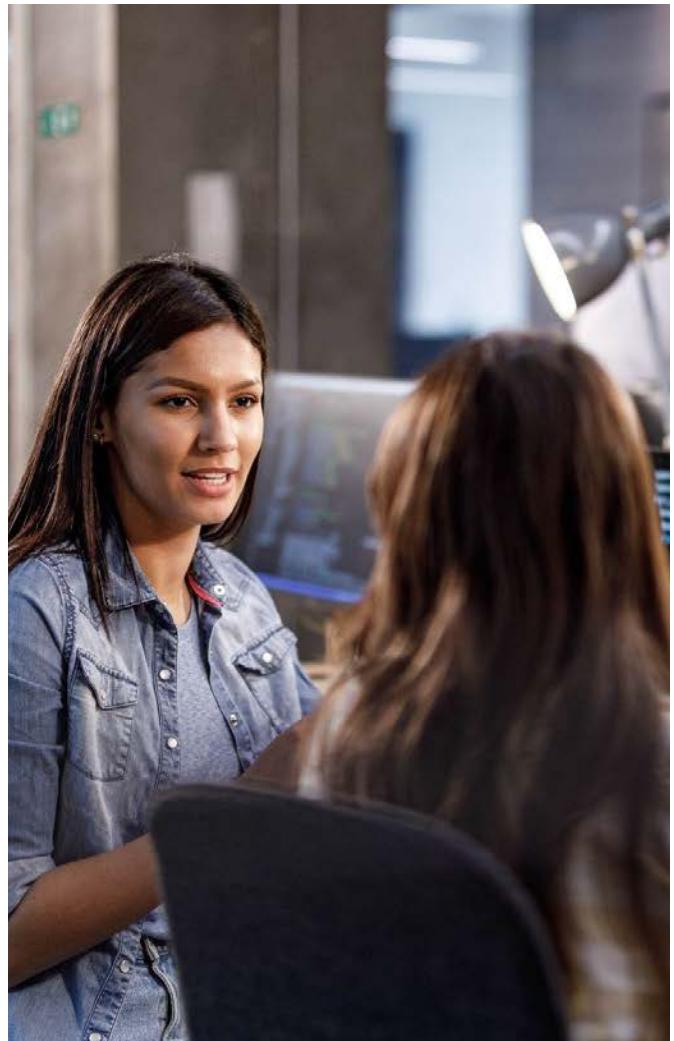
PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member firm's exercise of professional judgement.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 Board members are elected by partners from all PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.



Our approach to quality



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Delivering quality services across the network



Definition and culture

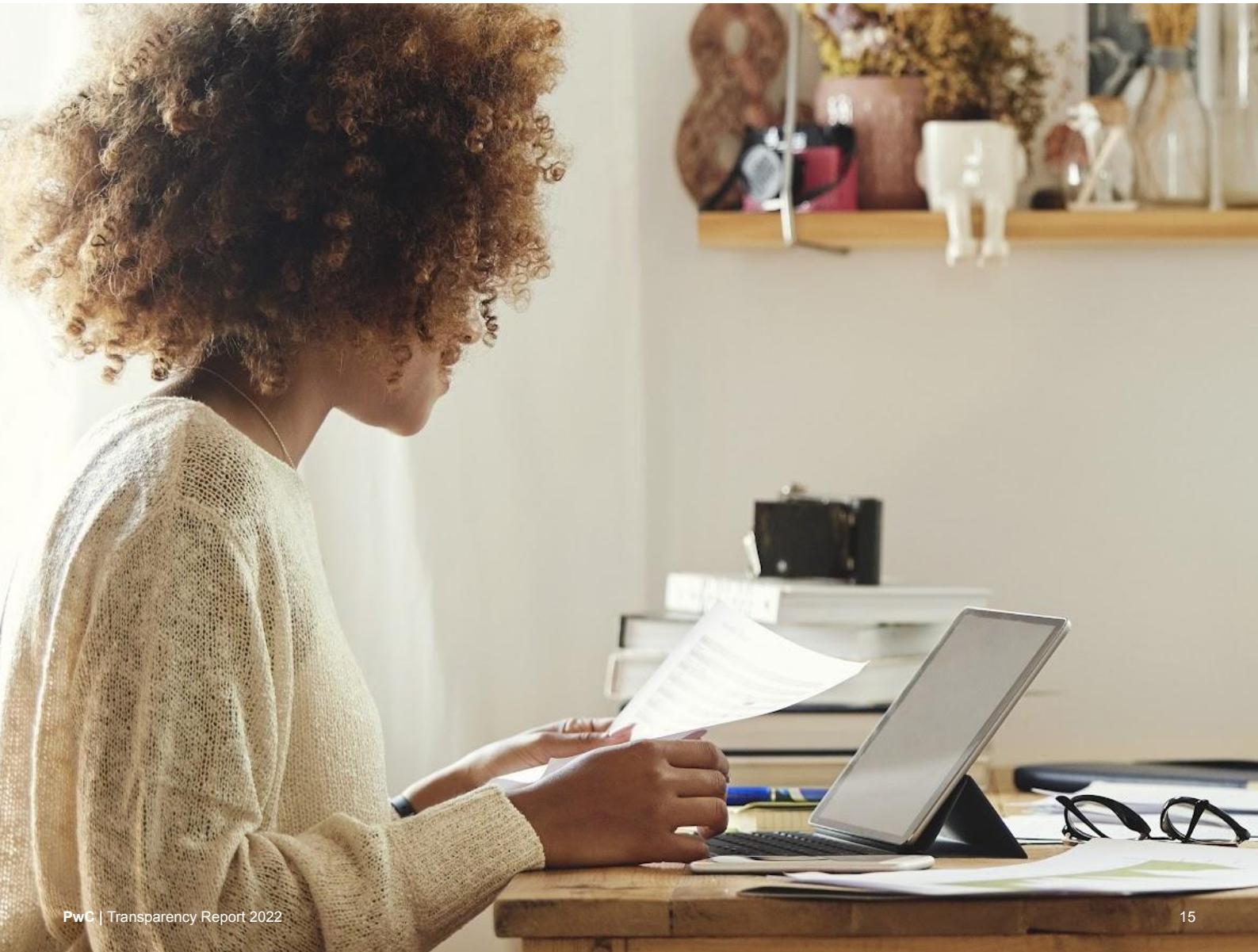
At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of 327,000 people that emphasises that quality is the responsibility of everyone including our 492 people. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As our services change and develop, and the needs and expectations of our stakeholders also change, we're continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.



Specific focus on audit quality

The quality of our work is at the heart of the PwC network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people and underlying tools and technology at both the network level and within our firm. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support member firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The QMSE framework

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network has established the Quality Management for Service Excellence (QMSE) framework for quality management which integrates quality management into business processes and the firm-wide risk management process.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance.

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we're committed to providing a quality audit. However, where our work falls below the standards that we set for ourselves and are set by the regulators, we're disappointed and also rightly criticised. We take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That's why our quality objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we've identified to achieve each quality objective.

Values and judgements

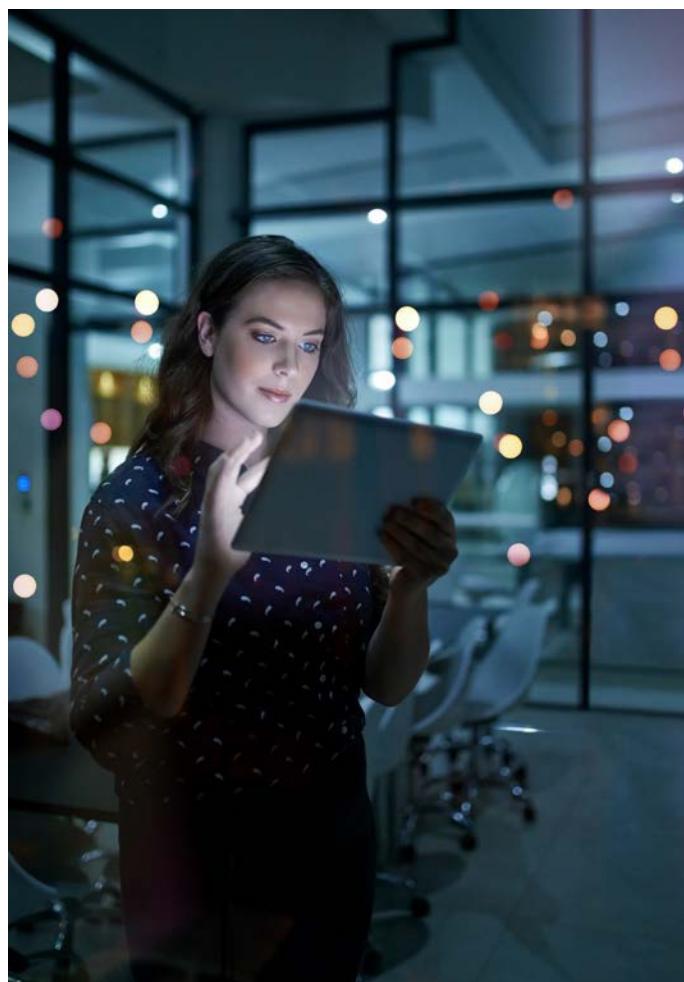
Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgement – all supported by technology.

Navigating the impact of external factors on our system of quality management

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter referred to as 'the war in Ukraine'), these events are first and foremost human tragedies. Our SoQM reflects our response to these events and changing risks based on impacts to our client, our people and the way we operate, including new or revised policies and procedures in our firm that have been implemented or are under consideration at any given point in time. Under the QMSE framework, our SoQM is designed and operated to consider changes in facts and circumstances resulting in:

- New or changing quality risks to achieving one or more of the quality objectives.
- Changes to the risk assessment of existing quality risks.
- Changes to the design of the firm's SoQM, including the risk responses.

The QMSE framework has helped us navigate the changes in our firm's environment, by assessing the completeness and effectiveness of our responses including any additional monitoring to be put in place, and identifying any gaps to address new or emerging quality risks.



Sharing developments and experience

COVID-19

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure audit quality was not compromised. More than two years into the pandemic, we've maintained our focus on those areas impacting our clients, our people and how we work. We've leveraged the guidance developed by our network to provide sustained, consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts.

Our network's response to the war in Ukraine including separation of PwC Russia and Belarus and our approach to sanctions

Following the Russian government's invasion of Ukraine, the PwC network's main focus continues to be doing all we can to help our colleagues and support the humanitarian efforts to aid the people of Ukraine.

The PwC network's response to the war in Ukraine resulted in several actions including the decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and consequently PwC Russia and PwC Belarus have exited the network.

In addition, the PwC network (excluding Russia and Belarus) will exit work for Russian entities or individuals subject to sanctions. Any sanction on Russian entities or individuals that is passed anywhere in the world will be applied everywhere in the PwC Network. The PwC network will also not undertake any work for the Russian Federal Government or State-owned Enterprises and is also conducting reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network's response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm's SoQM through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we've and will take to address the identified risks to assess whether further changes are needed to our firm's SoQM or how we perform our engagements and interact with our clients. PwC CI is satisfied that it remains in compliance with all applicable sanctions legislation.

Culture and values



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Culture and values

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in how we do business with each other and in our communities.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement leaders. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders' messaging conveys the importance of quality to success of our firm. Based on this tracking, we're confident our people understand our audit quality objectives.

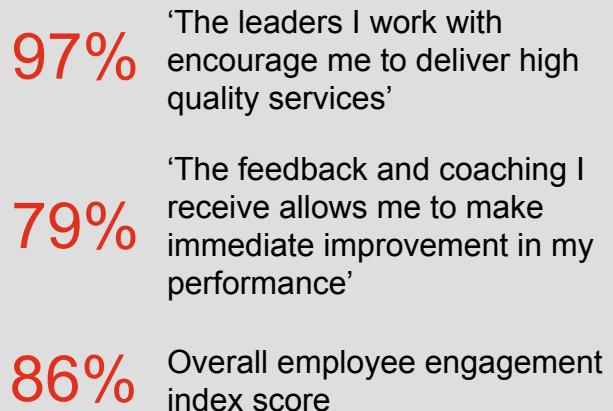
Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

As mentioned previously, to help PwC Channel Islands put this strategy into effect, the PwC network has established the QMSE framework which introduces an overall quality objective for the Assurance practise that is supported by a series of underlying quality management objectives. Our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and partners and staff.

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

These programs, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve significantly over time and as we continue to use and learn from these measures.

Percentage of our external audit professionals surveyed who report



The quality management process

This quality management process includes:

- identifying risks to achieving the quality objectives;
- designing and implementing responses to the assessed quality risks;
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance, as well as appropriate assurance quality indicators;
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analysis and implementing remedial actions; and
- establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration and career progression decisions.

Aim to Predict: Assurance Quality Indicators

We've identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Aim to Prevent: Real Time Assurance

We've developed a Real Time Quality Assurance (RTA) program designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our RTA program includes the use of predictive Audit Quality Indicators, a firmwide dashboard showing key metrics against all live audit files, hot reviews on all listed engagements and deep dive real time reviews on selected engagements, ensuring coverage across all partners and directors. Additionally, our local Chief Auditor Network, led by our Methodology Leader has separate teams covering all key industries and their role includes leading industry specific training and sharing best practice approaches to common areas of challenge or focus.

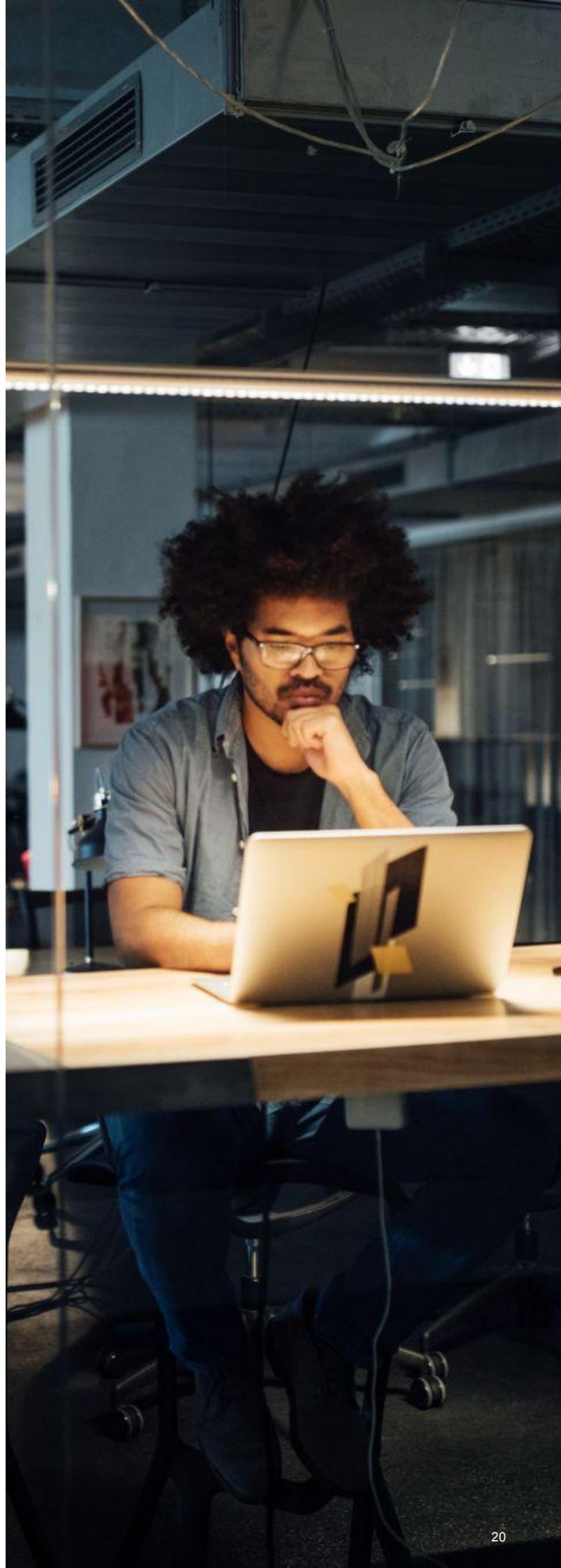
Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM.

In the event of a non-compliant audit engagement review, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality.

Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practise. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.



Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners, including non-Partner Engagement Leaders, accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies.
- **Behaviours:** We've set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective.
- **Interventions/recognition:** We've put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality.
- **Consequences/reward:** We've implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives.



Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

- i. **Integrity** – to be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, antitrust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PwC Channel Islands monitors compliance with these obligations.



In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Channel Islands has adopted the PwC network standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Channel Islands are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on [pwc.com/codeofconduct](https://www.pwc.com/codeofconduct). PwC Channel Islands has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

The PwC Code of Conduct is available on-line for all internal and external stakeholders at www.pwc.com/ethics.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.



Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC Channel Islands has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a small team of independence specialists within the Channel Islands and has access to the wider Network specialist team should the need arise. The PRI reports directly to the Territory Senior Partner.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Channel Islands supplements the PwC network Independence Policy as required by local regulations and other relevant regulations, including the independence requirements of the United States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States and the United Kingdom Financial Reporting Council's Ethical Standard where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC network, PwC Channel Islands has access to a number of systems and tools which support PwC member firms and their personnel in executing and complying with our independence policies and procedures. These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services.
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client of the requirement to sell the security where required.
- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service.

- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code. PwC Channel Islands also uses it for intra-territory reporting (e.g., in a single territory situation) in the absence of a local equivalent alternative system or procedure.

PwC Channel Islands also has a number of Channel Islands-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Channel Islands' audit rotation policies for engagement leaders and other key audit partners involved in an audit.
- A database that records all approved close business relationships entered into by PwC Channel Islands. These relationships are reviewed on a six month basis to ensure their ongoing permissibility.

Independence training and confirmations

PwC Channel Islands provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Channel Islands' independence policy and related topics. Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by PwC Channel Islands' independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the member firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for listed and SEC-restricted clients.

Independence monitoring and disciplinary policy

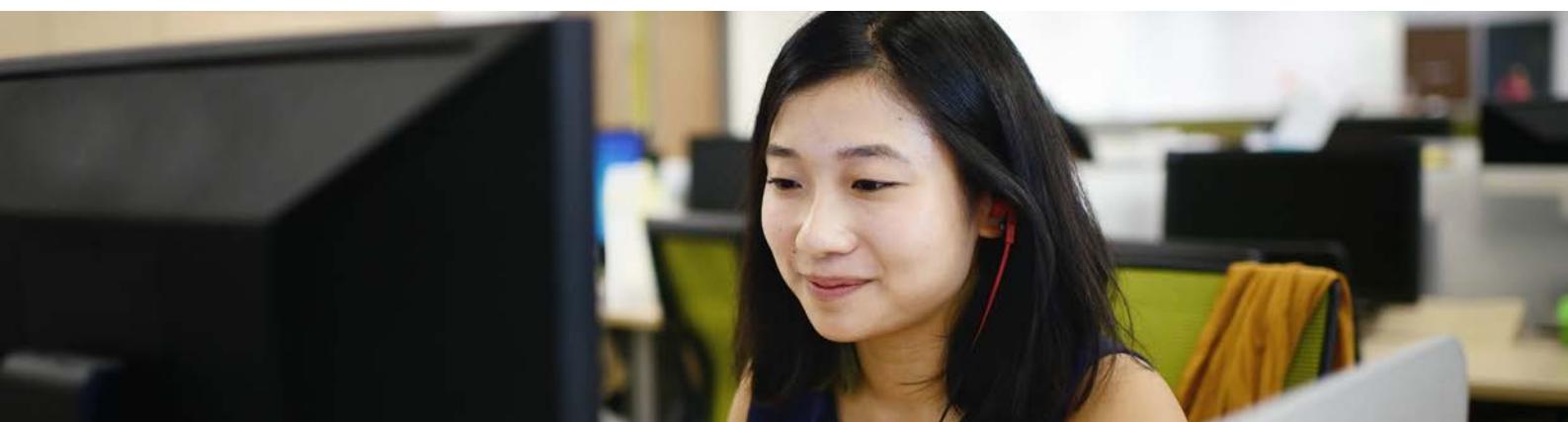
PwC Channel Islands is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes.
- Personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies.
- An annual assessment of the member firm's adherence with the PwC network's standard relating to independence.

The results of PwC Channel Islands' monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Channel Islands has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the member firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Channel Islands' systems and processes and for additional guidance and training.



Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We've established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we're competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

Client and Engagement Acceptance and Continuance

PwC Channel Islands has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance). Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance.
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement.
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

Member firms (including member firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements.
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio.
- To understand the methodology, basis and minimum considerations all other member firms in the network have applied in assessing audit acceptance and continuance.

Requests for Proposal

At an early stage in a Request for Proposal (RFP) process, after having considered the alignment of the opportunity with our client selectivity criteria, teams engage as appropriate with the relevant Industry Leader or one of the Managing Partners to discuss their initial assessment and conclusions. This assists in determining whether a full Bid Review panel is required prior to responding. This process includes considering the required skill sets, resourcing, pricing, independence and other matters as appropriate in order to conclude whether we'll pursue the opportunity or not.



Our people



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Our people

People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation. We're focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

We do this by focusing on three key areas:

1. Equipping our workforce for today's realities and tomorrow's possibilities and thereby creating a community of problem solvers; creating a resilient foundation for times of change and developing inclusive and adaptable leaders for a shifting world.
2. Our purpose is to build trust and create sustainable outcomes. We remain strongly committed to the values of acting with integrity, making a difference, care, working together and making a difference. Although our values have not changed, these combined with our new purpose as redefined by The New Equation ensures that we can embody our values in a changing world, and living our purpose day to day is essential.
3. The evolution of work continues to accelerate – how and where we work is different, and technology is enabling our people to enhance their skills and create more value while upholding quality. We aim to instill a continuous learning culture that inspires curiosity, creates an ability to grow and contributes to the creation of our community of problem solvers.





Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We're focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.

Recruitment



PwC Channel Islands aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the Channel Islands' firm in FY22, we recruited 146 new people, including 46 trainees (graduates and school leavers), 93 experienced hires and 7 fixed-term employees.

Team selection, experience and supervision



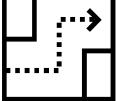
Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development



Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via our Snapshot tool, a simple, mobile-enabled technology. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Career progression



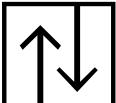
PwC Channel Islands uses The PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.

Retention



Employee turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. Employee turnover at PwC Channel Islands has continued to trend upwards as markets and travel normalise after the impact of the pandemic. We continue to evaluate and enhance our people value proposition in order to positively impact retention, such as the trial of a full pay 4-day working week during the summer months and the introduction of paid volunteering hours, which were initiatives based on feedback from a cross-section of our employees.

Global People Survey



Each PwC member firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Channel Islands is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

Wellbeing and flexibility



Creating a resilient foundation for our people is essential to our combined success. We create awareness of health related matters and provide a supportive framework. Understanding that work is a subset of life, we introduced Everyday Flexibility to allow personal choice around where and when work is performed. Our Dress for your Day policy supports a relaxed environment where the focus is on the task rather than a corporate dress code. PwC Channel Islands empowers people to decide when, where and how they work, and offers many flexible working options including flexing time or home-working. The firm continues to have a strong focus on wellbeing and mental health. During the period the firm has increased its number of fully trained mental health first-aiders to 26.

The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.

Professional Development

We're committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

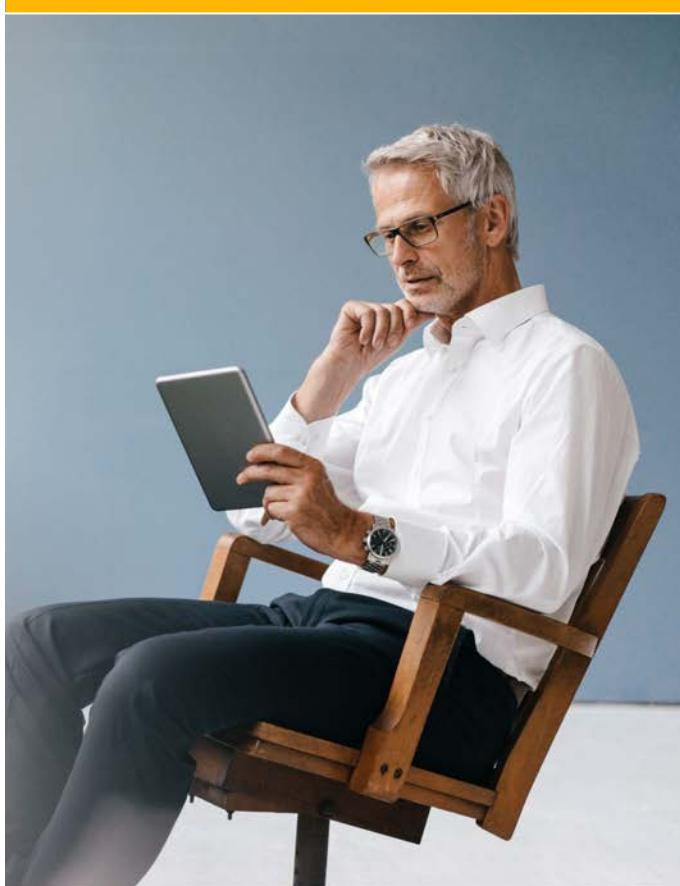
Continuing education

We, and other PwC member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the Network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we'll deliver the training. The network developed curriculum is supplemented with content specific to the requirements of the Channel Islands market.

Assurance and Professional exam training	Hours (total)
PwC delivered training	40,260
Professional exam training	19,797
Total structured training provided	60,057
Assurance training	Hours (average per assurance professional)
PwC Global Assurance core training	49
Territory specific, industry specific, and digital training	82
Total PwC delivered structured training	131
PwC Global Assurance core training attendance	
100%	



Case Study: PwC Hive Academy

Our Hive Academy programme is a great example of living by the New Equation. Delivering sustained outcomes which make a difference, whilst building trust in society here in the Channel Islands. The Hive Academy team - Narelle Height, Scott Wallace and Ralf Meijer, who joined us as education specialists to deliver on this purpose - wants to develop the digital skill set of children and young people as individuals so they can become confident contributors to society, the economy and the environment.

Hive Academy is committed to providing opportunities and experiences that will inspire the workforce of the future to pursue a career in technology. To achieve these aims, they have designed a comprehensive curriculum teaching computing and other 21st century skills - collaboration, communication, creativity and problem solving - to students from 7-18 years of age, whilst simultaneously upskilling teachers.

As well as the wider societal benefits and improvement in enjoyment and understanding of computing lessons, we use our staff to help facilitate the courses in schools. This has been an overwhelmingly positive experience for staff and has improved job satisfaction and their own communication and digital skills. Another benefit is the change in perception of PwC in the Channel Islands, pivoting from auditors to a digitally enabled, human led community of solvers. To date, over 100 PwC volunteers have had the opportunity to be facilitators, which is hugely rewarding for them. In FY22, the programme has reached over 2000 students and 80 teachers across the Channel Islands and the UK.



Partner remuneration

Partners are remunerated solely out of the profits of PwC Channel Islands. Audit partners aren't permitted to be incentivised, evaluated or remunerated for the selling of non-audit services to their audit clients.

The final allocation and distribution of profit to individual partners is made by the Territory Senior Partner, once their performance has been assessed and the annual financial statements have been approved.

Each partner's remuneration comprises three interrelated profit-dependent components:

- **Responsibility income:** reflecting the partner's sustained contribution and responsibilities.
- **Performance income:** reflecting how a partner and their team(s) has performed.
- **Equity unit income:** reflecting the overall profitability of PwC Channel Islands.

Each partner's performance income is determined by assessing achievements against an individually-tailored balanced scorecard of objectives, based on the partner's role and responsibilities.



Gender Pay Gap

PwC Channel Islands is committed to creating an inclusive culture and promoting equality in the Channel Islands. The March 2021 PwC Channel Islands Women in Work Index using 2019 data - showed there is some way to go to improve female participation in work across the islands with an estimated gender pay gap of 20%.

www.pwc.com/jg/en/publications/women-in-work-channel-islands-2021.pdf. As part of the firm's commitment to promote a diverse and inclusive workplace, PwC Channel Islands voluntarily publishes its own gender pay gap information.

Results: effective 30 June 2022

The gender pay gap is calculated as the difference between the average FTE pay of all women in the firm versus the average FTE pay of all men in the firm, regardless of what they do in the organisation. The table below shows that PwC Channel Islands has a gender pay gap of 3.8% (2021: 3.0%) i.e. men are paid slightly more than women overall. The firm is confident that people are paid equally for equivalent work.

1.0 PwC Channel Islands overall gender pay gap

Note:

- figures represent a favour towards women

+ figures represent a favour towards men

Demographic: linked to the gender mix in the population

Non-Demographic: linked to differences in pay

2.0 PwC Channel Islands gender split and gender pay gap by staff grade

	Number of men	Number of women	Pay gap
Associate	50	44	-2.4%
Senior Associate	115	82	-1.3%
Manager	38	39	-0.4%
Senior Manager	28	24	-1.3%
Director	22	11	4.1%

In August 2021, PwC Channel Islands appointed 24 'Inclusion Ambassadors' to represent the diversity of the organisation and find ways to improve inclusion. This group reports to the 'Inclusion Council' which sets targets and provides scrutiny over policies and processes.

Continued measures to create a more flexible working environment for all have included more incentives for working parents and the trial of a Four Day Working Week in summer 2022. The firm believes the strategy is working, but there is more work to do.

At the partner level, it has two women among its 12 partners, as at 30 June 2022. Including partner reward in the analysis shows a gender pay gap of 31.4% (2021: 36.8%). The firm is encouraged by this improvement, but continued focus on leadership development remains a priority, so that within a reasonable time period, diversity at partner level improves.

In terms of diversity beyond gender, PwC Channel Islands is fortunate to have employees from 37 different countries within its business which brings a significant diversity of thinking and experience which its clients get value from. The firm is beginning to review what data might be available to calculate its ethnicity pay gap.

Partner and staff survey

Percentage of our external audit professionals surveyed who report that 'the leaders I work with actively build a diverse and inclusive work environment'

88%

FY22

82%

FY21

* revised to reflect only those hours spent directly on client delivery

Our approach



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Our approach

Our approach

PwC Channel Islands uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements.

Our tools

As a member of the PwC network, PwC Channel Islands has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities—people who can deliver the highest quality outcomes in terms of client service and compliance.

Technology

As technological change accelerates, our clients want to trust their information with organisations that don't merely keep up but lead the way. We've made a global commitment to offer leading audit technology, and we've invested heavily in technology to match our approach. The result is greater quality and insight for our clients.



Tools and technologies to support our audit

Our technology

Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real time dashboards show teams audit progress and the impact of scoping decisions more quickly.

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations- in real time.

Connect Audit Manager streamlines, standardises and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Document Bot is a document generation tool applicable to most clients that automatically generates the correctly worded audit report, audit engagement letter and other audit related documents, based on input parameters that the auditor specifies. The use of Document Bot reduces the likelihood that the auditor might make a mistake in tailoring a document to the specific engagement circumstances, particularly in areas that are complex. Document Bot has inbuilt workflow tracking to evidence manager and engagement leader review.

Halo, our data auditing tools, test large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

Additionally, to support the effective and efficient conduct of audits our teams are trained to use an increasing number of PwC-approved non-proprietary digital tools.

As part of The New Equation investment, we'll be rolling out a continuous stream of new capabilities through our existing platforms to increasingly simplify, standardise, centralise and automate our audit work.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we've guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.



Confidentiality and Information Security

Information protection

Confidentiality and information protection are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

The firm's Risk Management Partner, Evelyn Brady, is responsible for information protection. In this role, she is supported by the Information Protection Governance Group (IPGG), which is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters.

Membership of the IPGG comprises representatives from the Leadership Team, Information Technology and Risk Management, including Data and Information Protection. The objectives of the IPGG are to:

- Provide overall governance and oversight of information protection.
- Act as an approval body for information management and protection policies and procedures.
- Agree and allocate information protection accountability and responsibilities.
- Identify and initiate information management remediation projects.
- Monitor compliance with information protection policies and standards.
- Approve the implementation of new technologies for use in the firm.

The firm is bound by, and all partners and staff are required to comply with, the ICAEW's fundamental principle of confidentiality. There are also other legal and regulatory obligations on partners and staff about handling confidential information and personal data, and contractual terms govern the use and disclosure of client information.

The firm provides information security and data protection training upon recruitment, annual update training for all partners and staff thereafter, and training to various departments on an ad hoc basis throughout the year. We also have in place an accountability framework and the appropriate technical and organisation measures to promote compliance with relevant data protection regulation.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We've continued to build on the extensive Network Data Protection Programme, including the roll out of a Network Data Incident Response service.

We're registered with the Guernsey and Jersey Data Protection authorities. Please refer to the regulator websites in [Guernsey](#) or [Jersey](#), our registration references are DPA1992 and 15699, respectively. Our standard privacy statement is publicly available at www.pwc.com/jg/en/about-us/privacy-statement.html.

Information Security

Information security is a high priority for the PwC network. Member firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of member firms. The PwC ISP directly supports the firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

PwC Channel Islands is required to adhere to the ISP requirements and complete a quarterly, data-driven assessment to demonstrate compliance. The Member Firm is assessed against the required controls through analysis of available data. In coordination with Member Firm stakeholders, the data is reviewed for quality to ensure an accurate assessment of the Member Firm's security posture. Deviations that result from the ISP Compliance Programme assessment process are prioritised for remediation utilising a risk based approach and per timelines agreed with leadership.

PwC Channel Islands also operates an information security management system, which is certified as compliant with the requirements of ISO/IEC 27001:2013, covering our Guernsey and Jersey offices.

Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use delivery centres to streamline, standardise, automate, and centralise portions of the audit.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.



Consultation culture

Consultation is key to maintaining high audit quality. While we've formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. PwC Channel Islands has access to all the technical resources to track new developments in accounting and auditing and provide updates to the appropriate professional staff. PwC Channel Islands' consultative culture means that its engagement teams will regularly consult with experts and others where appropriate, either locally, within the UK firm, or with global network specialists.



Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such as Risk and Quality. These include the use of technical panels consisting of partners independent of the engagement.

Monitoring



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Monitoring

Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the Leadership of PwC Channel Islands. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance which is discussed in more detail on page 19 within The Quality Management Process section.

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews - ECR) as well as periodic monitoring of our SoQM by an objective team. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM.

Our firm's monitoring programme is based on a consistent network-wide inspections programme for Assurance based on professional standards relating to quality control, including ISQC 1, as well as network policies, procedures, tools and guidance.



ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. All assurance partners and signing directors must have at least one of their engagements reviewed every five years, or once every three years for those eligible to sign UK Statutory audit reports or Market Traded Companies, unless a more frequent review is required based on the risk profile of a particular engagement. During FY22 16 audit engagements and three non-audit assurance engagements were subject to ECR.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. All ECR review team members are sourced from other member firms to provide appropriate expertise and objectivity. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

Since we see it as a key learning tool, and an opportunity to discover best practices from other territories auditing similar entities, we send a significant number of senior staff to perform ECRs in other territories.

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of member firms' systems of quality management. We also look at the member firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The results of all inspections are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Partners and employees of our firm are informed about the inspection results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, engagement partners of our firm are informed by the network inspection program about relevant inspection findings in other PwC member firms, which enables our partners to consider these findings in planning and performing their audit work.



External inspections

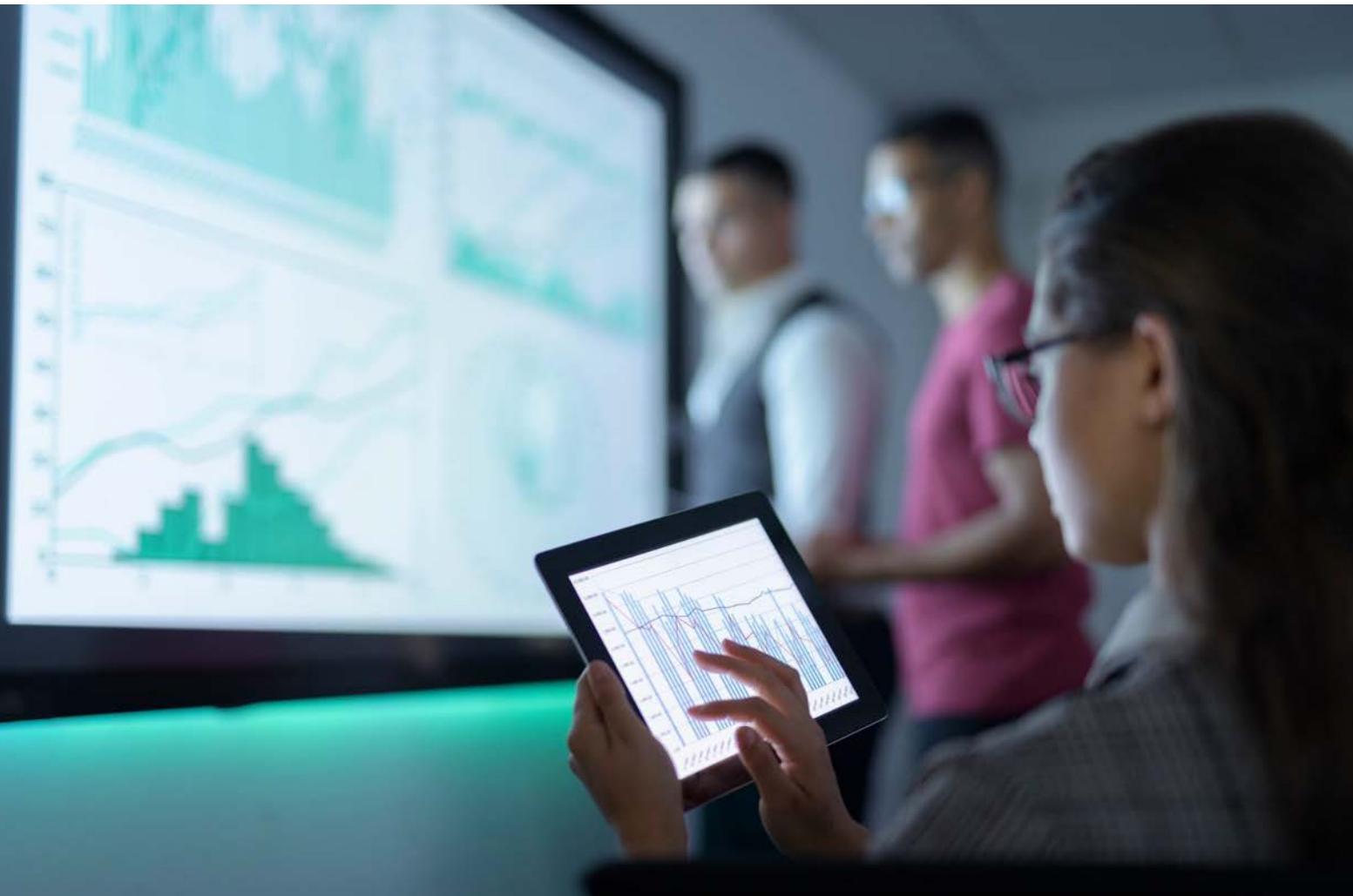
PwC Channel Islands is eligible as a recognised auditor to undertake the required statutory audit work for Jersey and Guernsey domiciled companies with debt or equity listed on regulated exchanges in the following countries:

- Luxembourg
- United Kingdom

The Jersey Financial Services Commission and the Guernsey Registry have delegated responsibility for conducting inspections of recognised auditors to the Audit Quality Review (AQR) team of the Financial Reporting Council in the United Kingdom.

The AQR team completed its latest triennial inspection of the quality of PwC Channel Islands' work in 2020. Following completion of that inspection, the Financial Reporting Council and the Institute of Chartered Accountants in England and Wales recommended to the Jersey Financial Services Commission and the Guernsey Registry the continuation of PwC Channel Islands' registration as a recognised auditor.

The Quality Assurance Division of the Institute of Chartered Accountants in England and Wales completed its last inspection of PwC Channel Islands in 2021. Following the completion of the inspection, PwC Channel Islands' licence to perform UK Statutory audits remains in place.



Legal and governance structure



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Legal and governance structure

Legal structure and ownership of PwC Channel Islands

PricewaterhouseCoopers CI LLP (PwC Channel Islands) is a limited liability partnership incorporated in the UK. It's wholly owned by its Members, who are commonly referred to as Partners. Its members include PricewaterhouseCoopers LLP (PwC UK). Other than PwC UK, all Members of PwC Channel Islands are natural persons and partners of the firm.

As of 30 June 2022, PwC Channel Islands was made up of twelve partners in addition to PwC UK; one in tax, one in advisory and ten in assurance. The subsidiaries providing professional services during the year were PricewaterhouseCoopers Services (Guernsey) Limited, which is licensed by the Guernsey Financial Services Commission under the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 and PricewaterhouseCoopers Services (Jersey) Limited, which is a Managed Trust Company that has a joint business relationship with PraxisIFM Trust Limited and is licenced by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998.

Our governance structure reflects our partnership model. We've a senior partner who, once elected, leads his or her fellow partners who collectively form the Management Board with the support of a managing partner in each of Jersey and Guernsey. During the year ended 30 June 2021, PwC UK's interest was represented by Carl Sizer in his capacity as Head of Regions on PwC UK's Management Board. Carl provided oversight and support to the Channel Islands firm in all key strategic matters relating to PwC UK. Additionally, Karen Finlayson who is a Member of PwC UK's Supervisory Board holds the position of "Protector". The Protector has a formal role in certain governance aspects of partnership affairs and acts as an escalation point for the partners if this is required.



Carl Sizer, Management Board, UK Head of Regions & Platforms, PwC UK

Carl joined PwC in 1999, making Partner in 2009 and going on to join the Management Board as Head of UK Regions on 1 July 2020. From 1 January 2022 he has also taken responsibility for Platforms; whereby he is responsible for driving our market approach to addressing the most significant challenges and opportunities that our clients face, with a particular focus on ESG. Carl is part of BiTC's Community Leadership Board; collectively the board sets out how businesses can deliver a just and fair transition to a resilient, net-zero future. Carl continues to focus in the Financial Services sector and previously led the growth in our Midlands Financial Services practice and was responsible for the National Banking & Capital Markets Audit practice



Karen Finlayson, Partner, Risk and UK Regions Lead for Government and Health Industries, PwC UK

Karen is a partner in the PwC UK risk line of service and she specialises in governance, risk, controls and internal audit across the government and public sector. She is also the PwC UK Regions Lead for Government and Health Industries and the lead client partner for NHS National Bodies. Karen joined PwC UK in 1997 and became a partner in 2015. She was elected to the PwC UK Supervisory Board on 1 January 2021 and is a member of the PwC UK Risk Committee, PwC UK Talent and Remuneration Committee and is the Channel Island Protector.

Partners and their key roles as of 30 June 2022

Name	Role(s) as at 30 June 2022	Experience as a PwC Partner	Location
Evelyn Brady	Risk Management Partner and Guernsey Managing Partner	13 years	Guernsey
Mike Byrne	Clients and Markets Leader	7 years	Jersey
Karl Hairon	External Audit Leader and Jersey Managing Partner	12 years	Jersey
Neil Howlett	Advisory Leader	5 years	Jersey
John Luff	Quality Leader	9 years	Guernsey
Lisa McClure	Partner	4 years	Jersey
Roland Mills	People Partner	6 years	Guernsey
Adrian Peacegood	Technology Partner	2 years	Guernsey
John Roche	Partner responsible for Independence, Ethics and Business Conduct	16 years	Guernsey
Chris van den Berg	Partner	2 years	Jersey
Nick Vermeulen	Territory Senior Partner and Territory Assurance Leader	11 years	Guernsey
David Waldron	Tax Leader	2 years	Guernsey

The firm has three PwC offices within the Channel Islands:

Jersey	Guernsey	Alderney
PwC Channel Islands 37 Esplanade St Helier Jersey JE4 4XA Tel: +44 1534 838200 www.pwc.com/jq	PwC Channel Islands Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND Tel: +44 1481 752000 www.pwc.com/jg	PwC Channel Islands Maison Des Venelles Venelles Des Gaudion Alderney GY9 3YW Tel: +44 1481 752143 www.pwc.com/jq



Prevention of facilitation of tax evasion: Response to the Criminal Finances Act 2017

The Criminal Finances Act 2017 introduced the concept of an organisation performing a corporate criminal offence if any of their associated persons (including partners and staff) criminally facilitated the evasion of tax either in the UK or overseas. Organisations need to demonstrate that they have reasonable procedures in place to prevent the facilitation of tax evasion. The deliberately wide scope of the offence requires organisations to have oversight of the risks associated with their customers, employees and third parties, over their downstream activities.

PwC Channel Islands follows the PwC Global Code of Conduct which sets out its commitment to upholding professional standards, adhering to applicable laws and regulations and fulfilling ethical obligations. Every year, every member of staff confirms that they are familiar with and have complied with this Code of Conduct.

The PwC Global Code of Conduct guides partners and staff on PwC's core values of: Act with integrity; Make a difference; Care; Work together; and Reimagine the possible. It defines how all partners and staff should behave and conduct business, and provides practical advice on how to take ethical decisions.

PwC Channel Islands has policies, training and procedures to enable it to comply with applicable laws and regulations, including those relating to tax. These include:

- Regular mandatory training for all partners and staff so that they understand the ethical and professional requirements under which it operates.
- Contractual terms and due diligence procedures in respect of persons who perform or will perform services for or on behalf of the firm.
- Client and engagement acceptance procedures.
- Whistle-blowing (Speak Up) policies and procedures.
- Regular reviews of systems and processes by Internal Audit and the risk and quality team.
- Since the introduction of the Criminal Finances Act 2017, PwC Channel Islands has reviewed all existing relevant policies and procedures and has taken a number of additional steps which aim to further formalise and prevent the facilitation of tax evasion. These include:
 - Designating a partner responsible for a response to the offence, reporting directly to the leadership team.
 - Carrying out a risk assessment to identify and prioritise a response to facilitation risk across all service offerings.
 - Reviewing existing policies and procedures across each line of service to identify any enhancements required.
 - Providing training for partners and staff.
 - Committing to monitoring and reviewing the risk assessment at least annually, as well as the firm's continuing compliance with relevant policies and procedures.

Financial information

The results shown below, for the year ending 30 June 2022, have been extracted from the draft PwC Channel Islands accounts which have yet to be finalised by the partners.

Total fee income for the years ending 30 June were:

	2022 (Unaudited) £ Million	2021 £ Million
Statutory audit revenue earned from Market Traded Companies	3.4	2.6
Audit revenue earned from all other clients	49.2	41.8
Non-audit services revenue earned from Market Traded Companies	0.5	0.7
Non-audit services revenue earned from all other clients	15.3	12.6

Market Traded Companies are defined under Jersey and Guernsey law as companies incorporated in Jersey and Guernsey with transferable securities admitted to trade on UK and EU Regulated Markets, subject to certain companies that are eligible for exemptions.

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately 2.5 billion Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2022. The list of these entities is included in Appendix 1.



Public interest audit clients

During the period covered by this Transparency Report, PwC Channel Islands has not signed any audit reports on the financial statements of an EU PIE as defined by Article 13. However, as a third country audit firm, audit opinions have been issued during the year ended 30th June 2022 for the Jersey and Guernsey incorporated audit clients listed below that have transferable securities admitted to trade on UK and EU Regulated Markets and meet the definition of being Market Traded Companies under Jersey and Guernsey law.

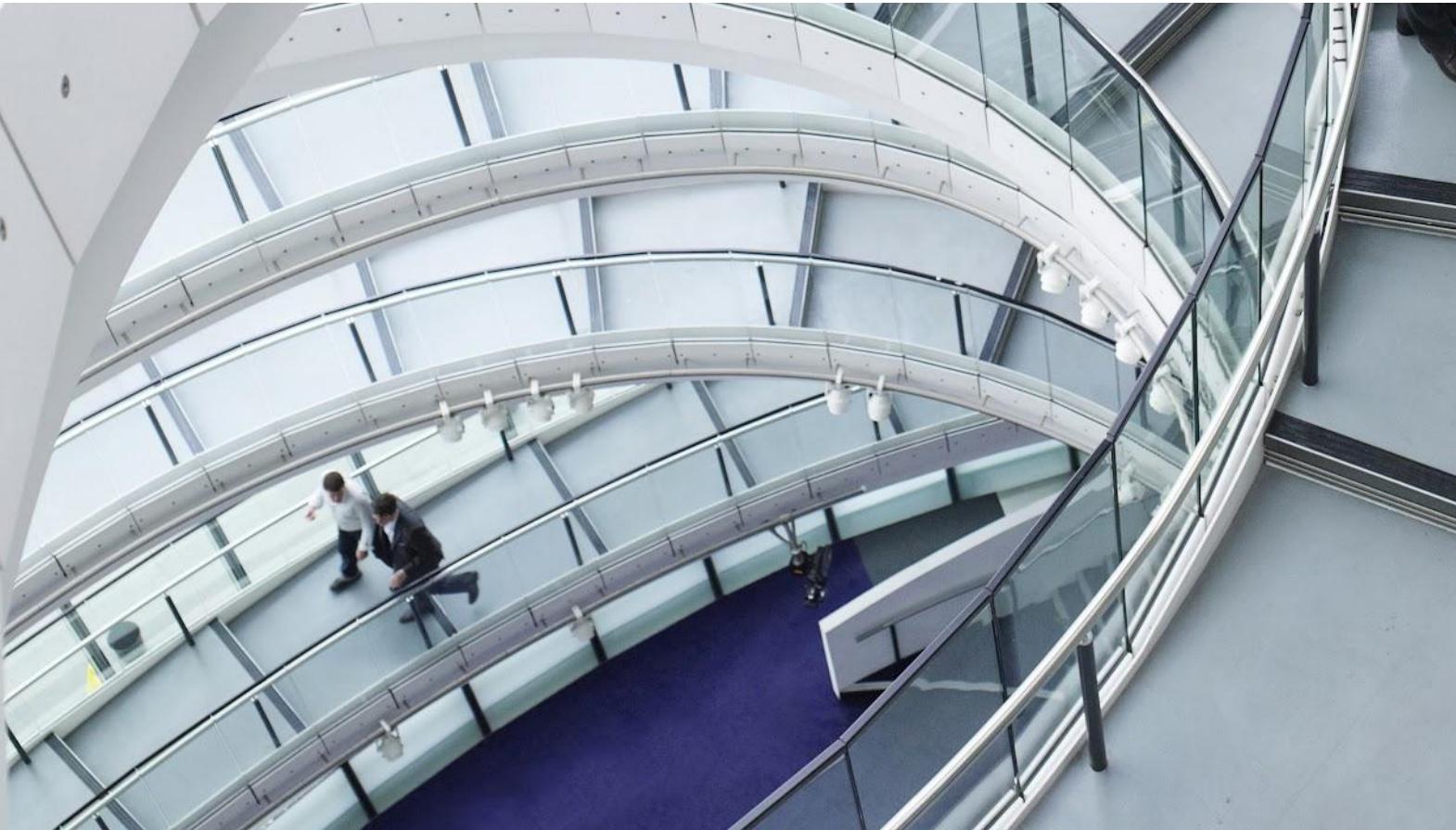
Listed in the United Kingdom:

- Aberdeen Latin American Income Fund Limited
- Balanced Commercial Property Trust Limited
(formerly: BMO Commercial Property Trust Limited)
- CT Property Trust Limited (formerly: BMO Real Estate Investments Limited)
- GCP Asset Backed Income Fund Limited
- Hipgnosis Songs Fund Limited
- International Public Partnerships Limited
- Invesco Bond Income Plus Limited (merger of City Merchants High Yield Trust Limited and Invesco Enhanced Income Limited)

- Jersey Electricity PLC
- JPEL Private Equity Limited
- JP Morgan Global Core Real Assets Limited
- JTC PLC
- Millshaw SAMS No. 1 Limited
- Princess Private Equity Holding Limited
- River & Mercantile UK Micro Cap Investment Company Limited
- Schroders Oriental Income Fund
- SME Credit Realisation Fund Limited
- Starwood European Real Estate Finance Limited
- Tufton Oceanic Assets Limited
- TwentyFour Income Fund Limited
- TwentyFour Select Monthly Income Fund Limited
- Vinacapital Vietnam Opportunity Fund Limited

Listed in Luxembourg and the United Kingdom:

- Credit Agricole CIB Finance (Guernsey) Limited



Appendix 1

Member State	Name of Firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	M. Philippe Aerts
France	M. Jean-Laurent Bracieux
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Netherlands	Coöperatie PricewaterhouseCoopers Nederland U.A.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB



pwc.com/jg

PricewaterhouseCoopers CI LLP is referred to throughout this report as 'the firm', 'PwC CI', 'we', 'our' and 'us'.

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